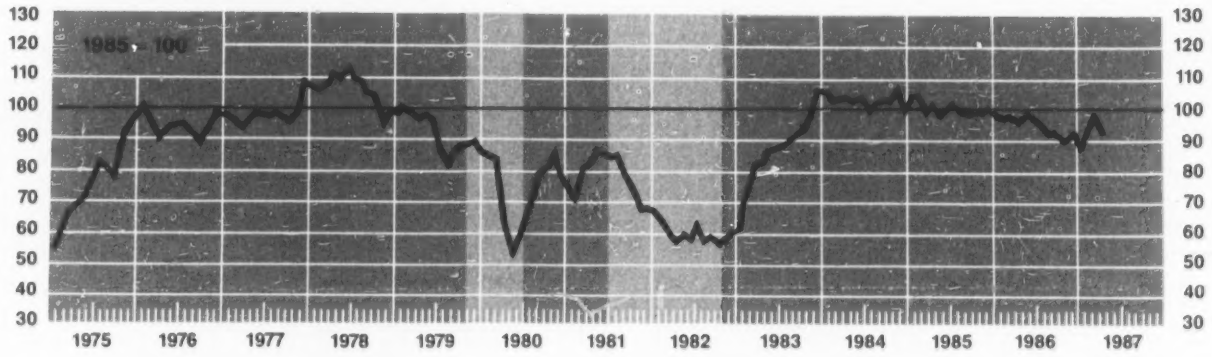
5/27/87 R4105-4A

Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

May, 1987



CONSUMERS LESS CONFIDENT BUYING PLANS DOWN

After two consecutive monthly gains the measure of consumer confidence (1985=100) declined to 91.9 in April. Although this represents a loss of over six points for the month, the index is still well above its January level. Buying plans for all major items included in the survey were down in April.

In their appraisal of the present business situation, consumers are less positive than a month ago. Fewer persons than last time now say that conditions are "good." There is also increasing concern about employment conditions—more people now report that jobs are "hard to get." A third of all respondents expressed this concern, while only a fifth said that jobs were "plentiful." This is a much less favorable view than recorded a month earlier.

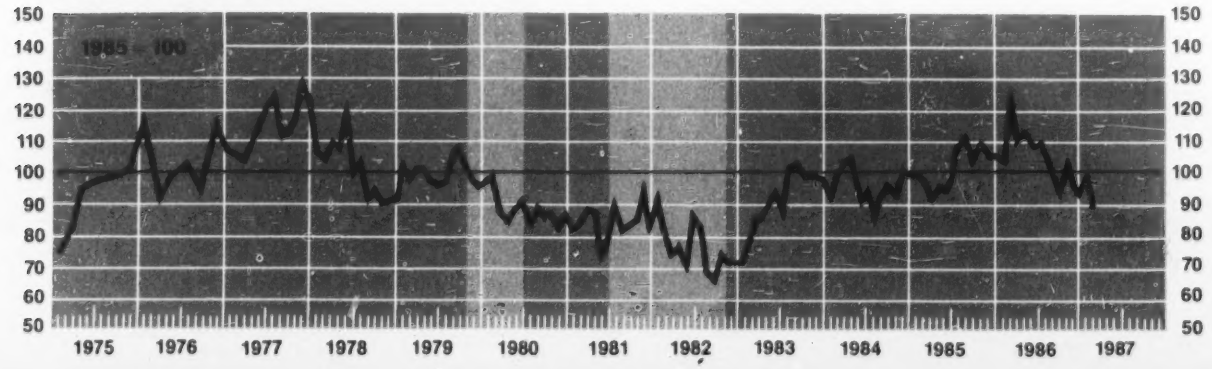
Consumers are also less sanguine about the immediate future. In looking ahead to likely developments over the next six months, fewer survey respondents than last time expect business conditions to improve, while more expect jobs to become difficult to find. There is also greater concern about income. As compared with a month earlier, fewer people now believe that their family income will increase over the coming months.

Plans to buy an automobile declined fractionally to 7.3% of all consumers, down from 7.5% previously. Intentions to purchase a home, however, dropped sharply to 3.3%, from an earlier 4.1 percent. Intentions to purchase a major appliance were indicated by less than 27% of those contacted, down from 29% in the preceding probe.

The decline in consumer confidence in April was not entirely unexpected. While a gain had been recorded a month earlier, the improvement—as noted at that time—was not entirely convincing then as now. Consumers expressed some apprehension about future business conditions and the extent to which their incomes were likely to increase. However, although people have become somewhat less optimistic, their spirits are still fairly high. The present level of consumer confidence has historically been associated with a reasonable, if uninspiring, rate of economic growth. The latest numbers would seem to suggest a slowdown in GNP growth in the second quarter.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

All series seasonally adjusted	1986 *Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	1987 *Jan.*	*Feb.*	*Mar.(r)*	*Apr.(p)*
						Composite Series: Index Numbers, 1985 = 100							
Consumer Confidence Index	95.4	97.9	97.1	95.7	91.1	92.2	89.8	89.8	93.6	86.0	93.2	98.4	91.9
Present Situation	100.1	100.4	97.6	96.0	89.3	91.3	88.4	86.5	95.9	86.4	91.1	97.2	90.2
Expectations	92.2	96.2	96.7	95.6	92.2	92.9	90.8	92.0	92.1	85.8	94.9	99.2	93.1
Buying Plans Index	124.7	109.0	111.3	107.2	108.2	105.3	98.8	93.0	103.6	98.9	93.1	98.7	89.7
						Appraisal of Present Situation: Percent							
Business Conditions													
Good	29.2	28.4	28.1	26.0	23.1	25.2	24.7	23.3	24.6	21.9	25.2	24.3	22.7
Bad	22.3	22.4	23.3	23.9	25.3	26.8	26.6	27.4	25.2	26.9	25.0	25.8	24.9
Normal	48.5	49.2	48.6	50.1	51.6	48.0	48.7	49.3	50.2	51.2	49.8	49.9	52.4
Employment													
Jobs plentiful	19.8	20.5	19.9	20.7	19.4	20.2	19.4	19.1	21.7	19.2	20.1	22.6	19.8
Jobs not so plentiful	49.0	48.1	48.0	46.5	46.7	46.1	45.2	45.9	46.3	46.8	45.5	46.1	46.8
Jobs hard to get	31.2	31.4	32.1	32.8	33.9	33.7	35.4	35.0	32.0	34.0	34.4	31.3	33.4
						Expectations for Six Months Hence: Percent							
Business Conditions													
Better	20.2	20.6	20.7	20.1	19.4	19.7	18.6	18.4	18.3	15.8	19.7	18.9	17.8
Worse	11.9	9.8	9.6	10.4	10.5	10.0	10.7	9.6	10.6	10.9	9.5	8.9	9.3
Same	67.9	69.6	69.7	69.5	70.1	70.3	70.7	72.0	71.1	73.3	70.8	72.2	72.9
Employment													
More jobs	15.1	15.8	16.7	16.3	15.5	16.0	14.2	14.9	14.9	12.5	15.3	15.7	15.4
Fewer jobs	20.4	18.6	18.7	18.6	19.7	19.2	18.8	18.9	18.3	19.1	19.6	15.3	17.7
Same	64.5	65.6	64.6	65.1	64.8	64.8	67.0	66.2	66.8	68.4	65.1	69.0	66.9
Income													
Increase	28.2	27.6	26.9	26.8	25.7	24.5	23.7	23.5	24.2	21.0	25.9	25.1	21.7
Decrease	7.8	8.2	8.7	8.2	9.1	9.8	8.6	8.9	8.4	8.2	8.4	7.8	8.8
Same	64.0	64.2	64.4	65.0	65.2	65.7	67.7	67.6	67.4	70.8	65.7	67.1	69.5
						Plans to Buy Within Six Months: Percent							
Automobile													
Yes	10.0	9.6	9.6	9.2	8.9	8.6	7.3	7.6	7.9	7.4	7.8	7.5	7.3
New	5.6	5.7	5.3	5.0	5.1	4.6	4.4	3.8	4.6	3.4	4.0	4.0	4.3
Used	3.4	2.8	3.6	3.2	2.8	2.5	2.3	2.7	2.6	2.6	2.9	2.8	2.2
Uncertain	1.0	1.1	0.7	1.0	1.0	1.3	1.1	1.1	0.7	1.4	0.9	0.7	0.8
Home													
Yes	4.4	4.5	4.6	4.4	4.1	4.4	4.0	3.1	4.3	4.4	3.1	4.1	3.3
New	1.4	1.2	1.3	1.1	1.3	1.2	1.1	1.1	1.1	1.5	1.1	1.4	0.7
Lived in	2.0	2.0	2.0	2.2	1.9	2.1	1.7	1.6	2.1	1.9	1.3	2.0	1.8
Uncertain	1.0	1.3	1.3	1.1	0.9	1.1	1.2	0.4	1.1	1.0	0.7	0.7	0.8
Major appliances													
Total plans	40.4	29.3	28.2	28.3	32.2	28.4	28.3	28.7	30.8	28.5	29.1	29.1	26.5
Refrigerator	6.2	4.1	4.2	4.4	5.0	4.2	4.9	4.8	4.4	5.3	5.2	4.6	3.9
Washing machine	6.8	4.3	3.9	4.5	4.7	4.2	4.3	4.3	4.4	4.2	3.8	4.3	3.4
TV Set	11.7	7.6	7.2	7.5	7.4	7.2	6.7	6.9	7.8	6.8	7.7	7.1	6.2
Vacuum Cleaner	4.8	5.4	4.8	3.9	5.5	4.8	4.6	4.8	5.6	4.3	4.8	5.5	5.2
Range	3.7	2.9	2.9	2.8	3.2	3.0	3.0	3.2	3.2	3.0	2.8	2.5	3.1
Clothes dryer	5.2	3.6	3.4	3.5	3.6	3.4	3.2	3.4	3.7	3.3	3.3	3.7	2.9
Air conditioner	2.0	1.4	1.8	1.7	2.8	1.6	1.6	1.3	1.7	1.6	1.5	1.4	1.8
Carpet	8.4	6.8	7.5	6.6	7.4	7.2	7.4	6.9	7.7	7.7	7.0	8.2	5.9
						Vacation Intended Within Six Months: Percent							
Vacation Intended	51.2		51.5		50.3		48.4		49.5		50.9		49.5
Destination													
Home state	10.9		11.7		11.1		9.2		10.1		11.5		10.5
Other state	35.5		36.1		35.4		34.4		34.0		35.2		34.4
Foreign country	7.1		5.4		6.0		6.3		6.6		5.9		6.7
Means of travel													
Automobile	31.4		33.8		31.4		28.8		30.3		33.2		30.2
Airplane	20.4		18.1		19.4		18.0		18.9		18.4		19.4
Other	4.6		3.9		3.8		4.0		3.7		4.3		4.7

(p)—preliminary (r)—revised

ATTENTION PC USERS: All Data in this publication plus extensive government statistics are available on cost-effective diskettes. For more information, contact Linette Waters at (212) 759-0900.